Acquisition and Inteeration of Xspedius ("Acquired Operations"[4])

On October 31, 2006 the Company completed its strategic acquisition of Xspedius. The Company paid $216 million in cash and issued 18.2 million Class **A** common shares. The Company achieved the following integration milestones in the first 60 days:

- Consolidated sales and marketing management, including the regional sales structure: field operations and field engineering
- Integrated acquired IP backbone into the Company's nationwide network
- Integrated human resource and financial reporting systems and launched a consolidated view of critical customer information

"To optimize the value out of our acquisition we are putting an intense focus toward fully integrating our operations," said Mark Peters, Time Warner Telecom's Executive Vice President and Chief Financial Officer. "We are pleased with our integration accomplishments this quarter. As expected, we will make integration expenditures over the next 12 to 16 months, weighted more heavily earlier in the integration process, with cost synergies to be realized later in the process. Accordingly, we expect the lower margins of the acquired operations and the related integration costs will impact our consolidated margins until we realize the expected cost synergies." The Company anticipates $15 to $20 million of expenses, and $20 to $25 million in capital expenditures related to the integration process in 2007. The Company also expects margins to be impacted by regular first quarter merit increases to employee compensation, the resetting of payroll taxes, and its re-branding initiative.

Year over Year Results –Fourth Ouarter 2006 compared to Fourth Ouarter 2005

Revenue

Quarterly revenue was $238.8 million for the current quarter, as compared to $184.5 million for the fourth quarter of 2005, an increase of $54.3 million, or 29%. This included revenue from core operations[3] of $201.6 million which represented a 9% growth over the same period last year. The primary components of the change in revenue included:

- $44.6 million increase in revenue from enterprise customers, which included the impact of the acquired operations and a $17.0 million increase from core operations
- $8.5 million increase in revenue from carriers, which included the impact of the acquired operations and a $.7 million increase from core operations

By product line, the percentage change in revenue year over year was as follows:

- 40% increase for data and Internet 'services, which included the impact of the acquired operations and strong organic growth. Core operations included 30% organic growth due primarily to success with Ethernet and IP-based product sales
- 58% increase for voice services[8], which included the impact of the acquired operations and strong organic growth. Core operations included 8% organic growth due primarily to growth in bundled voice products

- 12% increase for network services [9] due to the acquired operations. Core operations included 1% organic growth
- 5% increase in Intercamer Compensation primarily related to the acquired operations Core operations included an 11% decrease from core operations due to fluctuations in dispute settlements

Monthly revenue chum was 1.1% and 1.3% for the third and fourth quarters of 2006, respectively. This compares to 1.3% monthly revenue chum for the fourth quarter of 2005. The Company expects to experience ongoing chum, including disconnects from carrier customers related to their merger activities and network grooming. In the current quarter the Company experienced a $1.3 million reduction in revenue from a wireless carrier from the prior quarter, primarily related to its earlier consolidation. The Company expects the balance of this carrier's disconnects related to consolidation to he completed in the first half of 2007.

M-EBITDA and Margins

M-EBITDA grew $9.6 million to $80.2 million for the fourth quarter of 2006, a 14% increase over the same period last year. The increase in M-EBITDA primarily reflects the impact of the acquired operations and strong revenue growth. Included in M-EBITDA was $1.9 million of integration costs in the current quarter, and none in the same period last year. Operating costs increased primarily due to revenue growth and further investments in the business such as expansion of the IP backbone. Selling, general and administrative costs ("SG&A") remained stable in relation to total revenue between periods, but increased over the same period last year due to increases in headcount, higher commissions and acquisition costs.

Excluded from M-EBITDA, but included in operating and SG&A costs is non-cash stock-based compensation expense under SFAS 123R, which was adopted in the first quarter of 2006. Operating and SG&A costs include $.6 million and $3.2 million, respectively, for non-cash stock-based compensation expense in the current quarter which was not recognized in the prior year

M-EBITDA margin was 34% for the quarter as compared to 38% for the same quarter last year. Modified gross margin [10] was 59% for the current quarter compared to 66% for the same period last year. The difference in margins between periods primarily reflects the impact of integration costs for the Xspedius acquisition and two months of acquired operations, as well as normal fluctuations in revenue and costs. The Company utilizes a fully burdened modified gross margin, including network costs, and personnel costs for customer care, provisioning, network maintenance, technical field and network operations, excluding non-cash stock-based compensation expense.

Net Loss

The Company's net loss was $24.8 million, a loss of $.18 per share for the current quarter compared to a net loss of $22.3 million, a loss of $.19 per share for the fourth quarter of 2005. Excluding the non-cash stock-based compensation expense and debt extinguishment costs, the net loss narrowed to a loss of $.07 per share for the current quarter as compared to a loss of $.14 per share for the same period last year, reflecting strong M-EBITDA growth as well as significant net interest savings due to refinancing events.

Sequential Results – Fourth Quarter 2006 compared to Third Quarter 2006

Revenue

Revenue for the quarter was $238.8 million, as compared to $196.1 million for the third quarter of 2006, an increase of $42.7 million sequentially. Revenue from core operations was $201.6 million and represented a 3% growth over the prior quarter. The primary components of the change in revenue included:

- $33.8 million increase in revenue from enterprise customers, which included the impact of the acquired operations and $6.2 million sequential increase for core operations
- $6.2 million increase in revenue from carrier customers, which included the impact of the acquired operations and a $1.6 million decrease from core operations

By product line, the percentage change in revenue sequentially was as follows:

- 16% increase for data and Internet services, which included the impact of the acquired operations and strong organic growth. Core operations included 8% organic growth due primarily to success with Ethernet and IP-based product sales
- 49% increase for voice services which included the impact of the acquired operations and strong organic growth. Core operations included 2% organic growth due primarily to growth in bundled voice products
- 10% increase in Network services due to the impact of acquired operations. Core operations included a 1% decrease

M-EBITDA and Margins

M-EBITDA grew $9.0 million to $80.2 million for the fourth quarter of 2006, a 13% increase sequentially. The increase in M-EBITDA primarily reflects the impact of the acquired operations and strong revenue growth. Included in M-EBITDA was $1.9 million of integration costs in the current quarter and $.8 million in the prior quarter.

M-EBITDA margin was 34% for the quarter, as compared to 36% reported in the third quarter of 2006. Modified gross margin was 59% for the quarter as compared to 63% in the third quarter. The difference in margins between periods primarily reflects the impact of integration costs for the Xspedius acquisition and two months of acquired operations.

Net Loss

The Company's net loss was $24.8 million, a loss of $.18 per share for the quarter compared to a net loss of $11.3 million, a loss of $.09 per share for the prior quarter. Excluding the non-cash stock-based compensation expense and debt extinguishment costs, the loss was $.07 per share for the current quarter as compared to a loss of $.06 per share for the prior quarter, reflecting strong M-EBITDA growth as well as increased interest costs for the additional debt drawn to fund the Xspedius acquisition.

Full year 2006 results compared to 2005 results

For the year 2006, the Company reported revenue of $812.4 million, M-EBITDA of $286.0 million, and a net loss of $98.8 million. For the year 2006, the Company:

- Grew total revenue $103.6 million or 15% for the year, which included the impact of the acquired operations and strong organic growth from core operations
  --Included 9% organic growth
- Grew data and Internet revenue by 33% for the year, which included the impact of the acquired operations and strong organic growth from core operations
  *--Included **30%** organic growth*
- Increased M-EBITDA by 14%, primarily due to increased sales, which included the impact of the acquired operations and strong organic growth from core operations
- Completed refinancing of $1.1 billion of debt and redeemed $640 million of senior notes and $199 million of term loan indebtedness, improving the effective interest costs. Moved the nearest scheduled debt maturity to 2013, excluding minimal annual amortization of the secured term loan
- Achieved modified gross margin of 62% and M-EBITDA margin of 35%
- Achieved $15.2 million of levered free cash flow

Capital Expenditures

Capital expenditures were $55.8 million for the fourth quarter, which included $3.5 million of investments made for integration of the acquired operations. Capital expenditures for the year ending December 31,2006, were $192.7 million compared to $162.5 million for the same period last year. Capital expenditures for core operations were $187.0 million for the current year. For 2007, the Company expects capital expenditures to be approximately $250 to $275 million, which will primarily be used to fund growth opportunities, and also includes $20 to $25 million for integration investments.

Summary

"We delivered impressive organic growth in 2006, at the same time we executed significant strategic events including completion of a valuable acquisition, acceleration of free cash flow through accretive refinancing activities and elimination of our super voting stock," said Herda. "All of our actions are focused on continuing to strengthen our differentiated market position and to enable us to grow long term shareholder value."

Time Warner Telecom Inc. plans to conduct a webcast conference call to discuss its earnings results on February 7 at 9:00 a.m. MST (11:00 a.m. EST). To access the wehcast and the financial and statistical information to be discussed in the wehcast, visit www.twtelecom.com under "Investor Relations."

*(1) The Company uses a modified definition of EBITDA to eliminate certain non-cash and non-operating income or charges to earnings to enhance the comparability of its financial performance from period to period. Modified EBITDA (or "M-EBITDA") is defined as net income or loss before depreciation, amortization, accretion, asset impairment charge, interest expense, debt extinguishment costs, interest income, investment gains and losses, income tax expense or benefit, cumulative effect of change in acconnting principle, and, beginning the first quarter of 2006, non-cash stock-based compensation expense. **(See** a discussion below of Modified EBITDA under "Financial Measures".)*

(2) Organic growth is defined as results from the Company's operations excluding the impact of acquired operations of Xspedius since October 31, 2006 and the related integration costs.

(3) Core operations are defined as the Company's operations excluding the results from the acyuired operations of Xspedius since October 31, 2006 and the related integration costs.

(4) Acquired Operations are defined as the results of the Xspedius acquisition since October 31, 2006 and the related integration costs.

(5) The Company defines un-levered free cashflow as Modified EBITDA less capital expenditures. Un-levered free cash flow is reconciled to Net Cash provided by (used in) operating activities in the supplemental information posted on the Company's website.

(6) The Company defines levered free cashflow as Modified EBITDA less capital expenditures and net interest expense from operations (but excludes debt extinguishment costs). Levered free cashflow is reconciled to Net Cash provided by (used in) operating activities in the supplemental information posted on the Company's website.

(7) Data and Internet services include services that enable customers to connect their internal computer networks and to access external networks, including Internet at high speeds using Ethernet protocol. Services include metro and wide area Ethernet, virtual private network solutions and Internet access.

(8) Voice services contain traditional and next generation voice capabilities, including voice services from stand alone and bundled prodncts, long distance, 800 services, and VoIP.

(9) Network services include transmission speeds up to OC 192 to carrier and enterprise customers. These services transmit voice, data. image, storage and video, using state-of-the-art fiber optics.

(10) The Company defines modified gross margin as Total Revenue less operating costs excluding non-cash stock-based compensation expense under SFAS 123R. Modified gross margin is reconciled to gross margin in the financial tables.

Financial Measures

The Company provides financial measures using generally accepted accounting principles ("GAAF"') as well as adjustments to GAAP measures to describe its business trends, including Modified EBITDA. Management believes that its definition of Modified EBITDA (see above) is a standard measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors, and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization, and tax structures, as well as non-cash and non-operating income or charges to earnings. Modified EBITDA is not intended to replace operating income (loss), net income (loss), cash flow, and other measures of financial performance and liquidity reported in accordance with GAAP. Management uses Modified EBITDA internally to assess on-going operations and it is the basis for various financial covenants contained in the Company's debt agreements. Modified EBITDA is reconciled to Net Loss, the most comparable GAAP measure to Modified EBITDA, within the Consolidated Operations Highlights and in the supplemental information posted on the Company's website. In addition, management uses unlevered and levered free cash flow, which measure the ability of M-EBITDA to cover capital expenditures. The Company uses these cash flow definitions to eliminate certain non-cash costs. Lcvcrcd and unlevered free cash flow are reconciled to Net Cash provided by (used in) operating activities in the supplemental information posted on the Company's wehsitc.

The Company also provides an adjustment to the measure gross margin by eliminating the impact of non-cash stock-based compensation expense related to the adoption of SFAS 123R. Management uses modified gross margin internally to assess on-going operations. Modified gross margin is reconciled to gross margin in the Consolidated Operations Highlights.

Forward Looking Statements

The statements in this press release concerning the outlook for 2007 and beyond, including expansion plans, growth prospects, expected margins, sales activity, expected customer disconnections, integration activities and results and expected capital expenditures are forward-looking statements that reflect management's views with respect to future events and financial performance. These statements are based on management's current expectations and are subject to risks and uncertainties. Important factors that could cause actual results to differ materially from those in the forward looking statements include the risks summarized in the Company's filings with the SEC, especially the section entitled "Risk Factors" in its 2005 Annual Report on Form 10-K. Time Warner Telecom undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Time Warner Telecom

Time Warner Telecom Inc., headquartered in Littleton, Colo., provides managed network services, specializing in Ethernet and transport data networking, Internet access, local and long distance voice, VoIP and security, to enterprise organizations and communications services companies throughout the **U.S.** As a leading provider of intcgrated and converged network solutions, Time Warner Telecom delivers customers overall economic value, quality service, and improved business productivity. Please visit www.twtclccom.com for more information.

Time Warner Telecom Inc.
Consolidated Operations Highlights

(Dollars in thousands)
Unaudited(1)

	Three Months Ended December 31, 2006	2005	Growth %	Twelve Months Ended December 31, 2006	2005	Growth %
Revenue						
Network services *(formerly dedicated transport) (2)*	$95.892	585,458	12%	5355,995	$341,779	4%
Data and Internet services	62.849	44,752	40%	215.419	152.834	33%
Voice services *(formerly switched services)* (2)	68.457	43.257	58%	201,968	166,808	21%
Service Revenue	227.198	173,487	31%	774.383	671,421	15%
Intercarrier compensation (3)	11.583	11,032	5%	37.992	37.306	2%
Total Revenue	238.781	184,519	29%	812,375	708,727	15%
Expenses						
Operating costs (4)	98.085	62.598		311,532	264,517	
Gross Margin	140.696	121.921		500,843	444,210	
Selling, general and administrative costs (4)	64,300	51.289		228.485	193,052	
Depreciation.amortization and accretion	71.557	61,907		256,091	238,180	
operating Income	4.829	8,725		15.257	12,978	
Interest expense	123.317)	(29,778)		(98,238)	(120,219)	
Debt extinguishment costs	(11,097)	(5,470)		(36.874)	(14.043)	
Interest income	4.811	4.117		20.054	13,220	
Loss before income taxer	(24,774)	(22,406)		(98,791)	(108,064)	
Income tax expense (benefit)	21	(150)		28		
Net Loss	(524.795)	($22,256)		($98.819)	($108,064)	

SUPPLEMENTAL INFORMATION TO RECONCILE MODIFIED GROSS MARGIN AND MODIFIED EBITDA

	2006	2005	Growth %	2006	2005	Growth %
Gross Margin	$140,696	$121,921		5500.843	$444,210	
Add back non-cash stock-based compensation expense	603			2,075		
Modified *Gross* Margin	141,299	121.921	16%	502,918	444,210	13%
Selling, general and administrative costs	64,300	51.289		228,485	193,052	
Add back non-cash stock-based compensation expense	3.245			11,590		
Modified EBITDA	80.245	70,632	14%	286.023	251,158	14%
Non-cash stock-based compensation expense	3,849			13.585		
Depreciation, amortization and accretion	71,557	51,907		256,091	238,180	
Net Interest expense	18.505	25,661		78,184	105,999	
Debt extinguishment costs	11,097	5,470		35.874	14,043	
Income tax expense	21	(150)		28		
Net Loss	($24.795)	($22,256)		($98,819)	($108,064)	
Modified Gross Margin %	59%	66%		62%	63%	
Modified *EBITDA* Margin %	34%	38%		35%	35%	

	2006	2005	2006	2005
Free Cash Flow:				
Modified EBITDA	$80,245	$70,632	5286.023	5251,158
Less: Capital Expenditures	55.805	41,053	192.579	162,521
Unlevered Free Cash Flow	24,440	29,579	93,344	88.637
Less Net interest expense	18.506	25.661	78,184	106,999
Levered Free Cash Flow	$5,934	$3,918	$15,160	($18,362)

	2006	2006
Integration Costs (5)		
Operating costs & Selling. General and Administrative costs	$2,010	52.829
Capital Expenditures	3,511	3.511
Total	15.521	$6,340

(1) For complete financials and related footnotes. please refer to the Company's SEC filings.
(2) The Company modified the name of its revenue categories in order to provide further clarity in the first quarter of 2006. This change reflects only a change in title and is consistent with reponing in prior periods. Please see the footnotes of the press release for a further description.
(3) Intercarrier Compensation includes switched access and reciprocal compensation.
(4) The Company adopted SFAS 123R effective January 1, 2006 for non-cash stock-based compensation.
(5) Represents costs to integrate the acquired operations. All amounts are included in the reported results above.

Time Warner Telecom Inc.
Consolidated Operations Highlights
(Dollars in thousands)

Unaudited (1)

	Three Months Ended December 31, 2006	Three Months Ended September 30, 2006	Growth %
Revenue			
Network services *(formerly dedicated transport)* (2)	595.892	587.312	*10%*
Data and Internet services	62.849	53.995	16%
Voice services *(formerly switched services) (2)*	68.457	45.932	49%
Service Revenue	227.198	187.239	21%
Intercarrier compensation (3)	11,583	8.870	31%
Total Revenue	238,781	196,109	22%
Expenses			
Operating costs (4)	98.085	74.018	
Gross Margin	140.696	122.091	
Selling. general and administrative costs (4)	64,300	54.409	
Depreciation.amortization and accretion	71.567	62,028	
Operating income	4.829	5,654	
Interest expense	(23,317)	(21.759)	
Debt extinguishment costs	(11.097)		
Interest income	4.811	4,754	
Loss before income taxes	(24.774)	(11,351)	
income tax expense	21		
Net Loss	(524.795)	(511,351)	

SUPPLEMENTAL INFORMATION TO RECONCILE MODIFIED GROSS MARGIN AND MODIFIED EBITDA

	December 31, 2006	September 30, 2006	Growth %
Gross Margin	5140696	5122091	
Add back non-cash Stock-based compensation expense	603	491	
Modified Gross Margin	141,299	122,582	15%
Selling. general and administrative costs	64.300	54,409	
Add back non-cash stock-based compensation expense	3,246	3.026	
Modified EBITDA	80,245	71.199	13%
Non-cash stock-based compensation expense	3.849	3.517	
Depreciation.amortization and accretion	71,567	62.028	
Net Interest expense	18,506	17,005	
Debt extinguishment costs	11,097		
Income tax expense	21		
Net Loss	($24,795)	($11,351)	
Modified Gross Margin %	59%	63%	
Modified EBITDA Margin %	34%	36%	

	December 31, 2006	September 30, 2006
Free Cash Flow		
Modified EBITDA	580.245	571.199
Less: Capital Expenditures	55,805	48.171
Unlevered Free Cash Flow	24,440	23,028
Less: Net interest expense	18.506	17,005
Levered *Free* Cash Flow	$5,934	$6,023

	December 31, 2006
Integration Costs (5)	
Operating costs and Selling, General and Administrative costs	52,010
Capital Expenditures	3.511
Total	$5,521

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.
(2) The Company modified the name of its revenue categories in Order to provide further clarity in the first quarter of 2006. This change reflects only a change in title and is consistent with reponing in prior periods. Please see the footnotes of the press release for a further description.
(3) Intercarrier Compensation includes Switched access and reciprocal compensation.
(4) The Company adopted SFAS 123R effective January 1, 2006 for non-cash stock-based compensation.
(5) Represents costs to integrate the acquired operations. All amounts are included in the reported results above,

Time Warner Telecom Inc.
Highlights of Results Per Share
Unaudited (1) (2) (3)

	Three Months Ended		
	12/31/06	*9/30/06*	12/31/05
Weighted Average Shares Outstanding (thousands)			
Basic and Diluted	136.182	121.659	116,915
Basic and Diluted Loss per Common Share			
Loss per Share before debt extinguishment costs and non-cash stock-based compensation expense	**(10.07)**	**($0.06)**	**(0.14)**
Impact of debt extinguishment costs	(0.08)		(0.05)
impact of non-cash stock-based Compensation expense	(0.03)	(0.03)	
As Reported	**($0.18)**	**($0.09)**	**($0.19)**

	As of		
	12/31/06	9/30/06	12131105
Common shares (thousands)			
Actual Shares Outstanding	142.815	122.823	117.382
Options (thousands)			
Options Outstanding	13.738	14,336	19,512
Options Exercisable	8.977	9.843	13.158
Options Exercisable and in-the-Money	4.526	5,355	4.022

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.
(2) As of December 31, 2006 only Class A common shares remain outstanding.
(3) Stock options, restricted stock units and convertible debt subject to conversion were excluded from the computation of weighted average shares outstanding because their inclusion would be anti-dilutive.

Time Warner Telecom Inc.
Condensed Consolidated Balance Sheet Highlights
(Dollars in thousands)
Unaudited (1)

	December 31, 2006	September 30. 2006	December 31, 2005
ASSETS			
Cash and equivalents, and short-term investments	$309,453	$345.121	$393,523
Receivables	87,105	65,629	58.535
Less: allowance	(13,182)	(7,395)	(10,936)
Net receivables	73.923	58,234	47.599
Other current assets	31,297	27.519	28,251
Property, plant and equipment	2,771,631	2,601,746	2,480,113
Less: accumulated depreciation	(1,477,519)	(1,422,315)	(1,253,163)
Net property, plant and equipment	1,294,112	1,179,431	1,226,950
Other Assets	544.452	109,251	96,213
Total	$2,253,237	$1,719,556	$1,792,536
LIABILITIES AND STOCKHOLDERS EQUITY			
Current Liabilities			
Accounts payable	$41.388	$36,306	$34.787
Deferred revenue	22.582	18.622	20.478
Accrued taxes, franchise and other fees	78,795	57,289	60.687
Accrued interest	18.984	13.737	35,211
Accrued payroll and benefits	34.688	37,017	28.757
Current portion of debt and lease obligations	6.679	3.038	4.211
Other current liabilities	83,390	75,094	72.113
Total Current liabilities	284.506	241.103	256,244
Long-Term Debt and Capital Lease Obligations			
Floating rate senior secured debt - Term Loan B due 11712013	600,000		
Floating rate senior secured debt - Term Loan B due 1113012010 (2)		198,500	200,000
Floating rate senior secured notes, due 2115120011 (3)		240.000	240.000
10 118% senior unsecured notes. due 2/1/2011 (4)			400,000
9 114% Senior unsecured nates. due 2115120014	400,396	400,410	400,451
2 318% convertible senior debentures. due 41112026	373,750	373,750	
Capital lease obligations	8,491	8.919	10,122
Less: current portion	(6,679)	(3.038)	(4,211)
Total long-term debt and capital lease obligations	1,375,958	1,218,541	1,246,362
Long-term Deferred Revenue	20.357	18,226	16.937
Other Long-Term Liabilities	19.768	9,083	8.479
Stockholders' Equity	552.648	232,603	264.514
Total	$2,253,237	$1,719.556	$1,792,536

(1) For complete financials and related footnotes. please refer to the Company's SEC filings.
(2) This debt was refinanced on October 6, 2006.
(3) These notes were fully redeemed on November 6, 2006.
(4) These notes were fully redeemed on May 1, 2006.

Time Warner Telecom Inc.
Consolidated Statements of Cash Flows
(Dollars in thousands)
Unaudited (1)

	Three Months Ended 12/31/06	Three Months Ended 9/30/06	Year Ended 12131106
Cash flows from operating activities:			
Net Loss	($24,795)	($11,351)	(598,819)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation. amortization, and accretion	71,567	62,028	256.091
Stock-based compensation	3,849	3.517	13,665
Other	131		131
Deferred debt issue, extinguishment costs and premium on debt	11.681	779	40,032
Changes in operating assets and liabilities:			
Receivables and prepaid expense	(928)	(9,915)	(18.161)
Accounts payable, deferred revenue. and other liabilities	2.713	4,943	(18.381)
Net cash provided by operating activities	84,198	50,001	174.558
Cash flows from investing activities:			
Capital expenditures	(55,774)	(48,171)	(192,269)
Cash paid for acquisitions. net of Cash acquired	(212,416)		(212,416)
Purchases of investments	(87,312)	(59,545)	(425.671)
Proceeds from maturities of investments	106,693	153,116	528.201
Proceeds from sale of assets and Other investing activities	1.216	(89)	1,232
Net Cash provided by (used in) investing activities	(247,593)	45,311	(300,923)
Cash flows from financing activities:			
Net proceeds from issuance of common stock upon exercise of stock options and in connection with the employee purchase plan	14,107	14,108	46,404
Net proceeds from issuance of debt	595,507	(73)	957,800
Retirement of debt obligations	(443,300)	-	(863,552)
Payment of debt and capital tease obligations	(487)	(1,052)	(3,568)
Net cash provided by (used in) financing activities	185,827	12.983	137,084
Increase (decrease) in cash and cash equivalents	(17,568)	108.295	10.719
Cash and Cash equivalents at the beginning or the period	239.121	130,826	210.834
Cash and Cash equivalents at the end of the period	5221.553	5239.121	221,553
Supplemental disclosures of cash flow information:			
Cash paid for interest	520,049	528.700	$115,604
Cash paid for debt extinguishment costs	$4,800		$25,052
Addition of capital lease obligation	531		$410
Summary of Cash and equivalents and short-term investments:			
Cash and cash equivalents at end of the period	5221,553	$239,121	5221,553
Investments	87,900	106,000	87.900
	$309.453	$345.121	5309,453
Supplemental information to reconcile capital expenditures:			
Capital expenditures per cash flow statement	$55,774	$48.171	$192,289
Addition of capital lease obligation	31		410
Total capital expenditures	$55.805	548.171	5192.679

(1) For complete financials and related footnotes, please refer to the Company's SEC filings.

Time Warner Telecom Inc.
Selected Operating Statistics
Unaudited (1)

	Quarter Ended							
	2005				2006			
	Mar. 31	**Jun. 30**	**Sept. 30**	**Dec. 31**	**Mar. 31**	**Jun. 30**	**Sept. 30**	**Dec. 31**
Operating Metrics:								
Route Miles								
Metro	12.835	13,053	13,427	13,589	13,913	14,053	14,409	17.786
Regional	7,015	7,015	7,015	7,015	7,015	7,015	7,015	6,884
Total	19,850	20,068	20.442	20.604	20,928	21,088	21,424	24.670
Buildings (2)								
Fiber connected buildings (an-net)	5.281	5.501	5,752	5,982	6.185	6,433	8.672	7,457
Type II (4)	14,576				16,865	17,623	18,355	18,953
Total	19,857	20,558	21.333	22.228	23,050	24.056	25,027	26,410
Networks								
Class 5 Switches	39	39	38	38	38	38	38	71
Soft Switches	20	26	32	34	34	35	35	35
Headcount								
Total Headcount	2,019	2,029	2,022	2.034	2,055	2,105	2.129	2.784
Sales Associates (3)	317	312	312	318	330	331	342	482
Customers								
Total Customers	10,740	11,088	11.439	11.834	12.181	12.642	13.081	31,516

(1) For complete financials and related footnotes. please refer to the Company's SEC filings.
(2) Fiber connected buildings (e.g. "on-net") represents customer locations to which the Company's fiber network is directly connected. Type II buildings are carried on the Company's fiber network, including the Company's switch for voice services. with a leased service from the Company's distribution ring to the Customer location.
(3) Includes Sales Account Executives and Customer Care Specialists.
(4) Excludes Type II buildings for acquired operations in the quarter ended December 31,2006

Brigham/Teitzel Declaration Exhibit 3
Denver MSA
Page 60 of 67

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BUSINESS SERVICES CARRIER SERVICES PARTNERS CUSTOMER CARE **ABOUT XO** NEWS CONTACT XO

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Our story
Proven Leadership and Innovation
Network Assets
Customer Centric
Extensive Portfolio

Our **Story**

Overview

XO Communications is a full-service provider of communications Services for small **&** growing businesses, larger enterprises and carriers. XO® possesses a wealth of **local fiber,** DSL, fixed wireless, data networking, Internet and long-haul network assets that few - if any - **U.S.** emarging service providers **can** match. in **tact,** XO is positioned as one of the **only** national, local end-to-end broadband communications companies in U.S. That means we're **about** breadth, depth and execution on a national scale in the best local markets.

The **XO**® Story is unique **because** of

- Proven Leadership **and** Innovation
- Network **Assets**
- Customer Centric Focus
- Extensive Product Portfolio

This is **one** story you don't want to miss.

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TELEPHONY ONLINE

Comptel: XO strengthens wholesale push

By *Carol* Wilson

Oct 9, 2006 12:31 **PM**

XO Communications added two more pieces to its wholesale puzzle today, announcing compietion of the 18,000-mile fiber optic network and a business realignment that separates its wholesale operation from its sales to large enterprise customers.

The fiber optic network reaches 75 major metropolitan areas in the **U.S.** with 100 Gb/s capacity, and plans to upgrade that to 400 Gb/s, said Ernie Ortega, president of carrier services at XO.

"We have been selling on the network, and we are in the middle of provisioning the services we have already sold," Ortega said. "From what we have experienced *so* far, lighting the long-haul network opened up a part of the business we haven't had visibility into before."

New Internet applications such as video, the growth in demand for diversity in the light of consolidation and the rise of other markets including wireless backhaul have made this a good time for XO to launch its long-distance wholesale business, Ortega added.

As part of that effort, XO Communications has now reorganized into two units, XO Business Services and XO Carrier Services, in part to eliminate the perception that XO is competing with its wholesale customers.

"We think this gives up more credibility," Ortega said. "What this allows us to do is focus on our market without drawing on any shared resources. We can align our processes and our decision-making in a way that is consistent with the market we are in."

In reality, most companies compete and partner at different times, he added, but eliminating the perception of a conflict is important.

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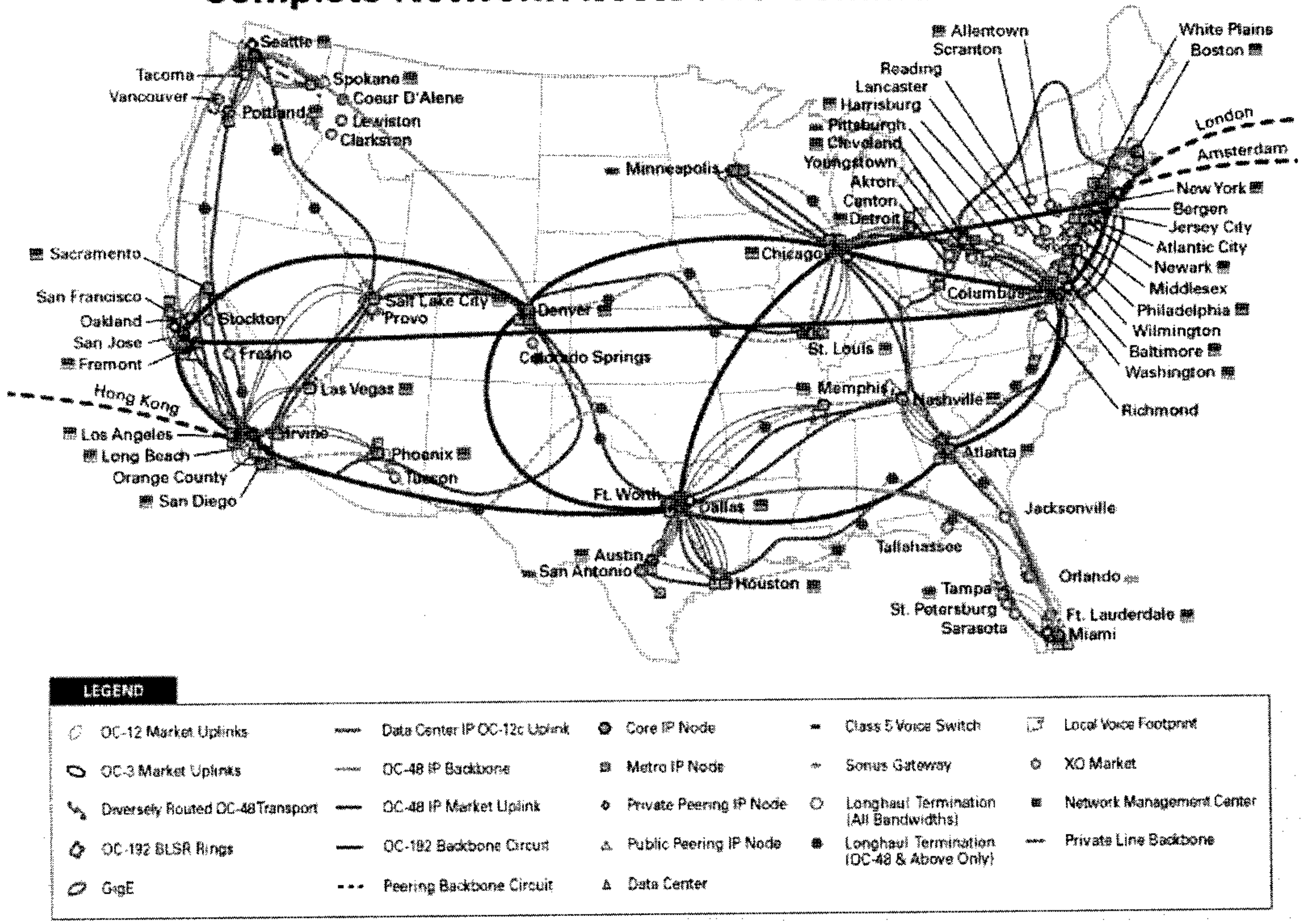
Denver MSA
Page 62 of 67

Complete Network Assets

Network Maps Home: **Normal View** | Large View

Complete Network Assets : XO Communications



Brigham/Teitzel Declaration Exhibit 3
Denver MSA
Page 63 of 67

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BUSINESS SERVICES | CARRIER SERVICES | PARTNERS | CUSTOMER CARE | ABOUT XO | NEWS | CON

XO® Local Services

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Products and Programs

Voice Services

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Wire Maintenance Pian

Business Trunks

Centrex

Voice Messaging

ISDN PRI

Directory Assistance and Operator Services

Private Switch/Automatic Location Identification (PSIALI)

Remote Call Forwarding (RCF)

Foreign Exchange (FX)

Local Volume Discounts

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Overview

Your local voice services are probably your most heavily used communications services. Local services provide for everything from basic phone service to voice mail and directory assistance. At XO, reliability and competitive pricing backed with feature-rich offerings form the foundation for all of our local services. Whatever your local service needs. XO has them covered

Whether your business has one location in a single market or many offices across the nation, XO makes it simple for you to buy local services. That's because XO offers standard product features across all of our markets, along with standard product names and functionality. Imagine that - local services available in over 70 markets nationwide from one supplier with one simple invoice.

Your business needs..	XO Product Solution	Product Description
Basic phone service with fax modem and other features	Basic Business Lines	Low-cost, flexible telephone service that can be set up quickly without a great deal of technicai expertise
Manage and budget your telecom maintenance costs for inside wiring and field technician service calls	Wire Maintenance Plan	The XO® Wire Maintenance Plan offers you a diagnosis, by trained XO technicians. of your inside wiring problem and any necessary repairs.
Dedicated bandwidth to carry heavy voice traffic	Business Trunks	Trunks offer shared access from your PBX or Hybrid System to the Public Switched Teiephone Network. Trunks can be analog or digital and can carry inbound. outbound or two-way traffic.
A turnkey solution for your voice services	Centrex	Fully managed service that offers PBX-like capabilities and standard feature sets. including three-way calling, forwarding and speed dialing along with productivity-enhancing optional features.
Flexible voicemail solution to take incoming calls when you are not available	Voice Messaging	Lets businesses capture and manage important messages via standard, enhanced or advanced voicemaii options
A high-capacity method of transmitting voice and data	ISDN PRI	ISDN PRI offers simuitaneous. integrated voice and data transmission via a digital truiiking interface.
Access to directory information	Directory Assistance and Operator Services	Directorv Assistance connects to a live operator and offers nationwide traditionai and reverse look-up capabilities Operators Services offer a choice of iive operator or

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		auto-attendant assistance with calling card/credit card, third number billing. collect calling, person-to-person station-to-station. busy line verification and busy line interrupt services.
To ensure that specific empioyee or tenant location information - rather than only the office or buiiding address - can be transmitted to locai emergency response officials	Private Switch/Automatic Location Identification (PS/ALI)	PS/ALI provides the E911 system with current, specific employee or tenant location information to expedite emergency response times
To provide a local market presence in an area where the company does not have a physical location	Remote Call Forwarding (RCF)	Remote Call Forwarding is an inbound only call service that allows incoming calls to be forwarded to a iocai or long distance telephone number - providing a seamless view to the caller that the business is located within their locai area.
Local telephone number(s) from an exchange (rate center) other than the exchange in which your location is physicaliy situated	Foreign Exchange (FX)	With FX, multipie rate centers are being served from the same XO switching platform to maintain a local presence in **a** nearby area and increase customer accessibility
To combine expenses from all your locations and receive deep discounts on your iocai services	Local Volume Discounts	Local Volume Discounts are beneficial for companies with large telecom expenses and multipie locations. For qualifying accounts, Local Volume Discounts can be paired with National Local Services.
An automated solution to help comply with state and federal Do-Not-Call regulations	TeleBlock®	Available with XO Local and Long Distance services. TeleBlock® automatically screens and blocks outbound calls in reai time against centraily administered federal slate. third party and proprietary DNC lists

* SERVICE AVAILABILITY, PRICES AND CHARGES VARY BY MARKET. MINIMUM TERM COMMITMENT APPLIES.

XO® VOICE SERVICES TERMS & CONDITIONS

See Also

- Service availability for Local Services
- Long Distance Service

Brigham/Teitzel Declaration Exhibit 3
Denver MSA
Page 65 of 67

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BUSINESS SERVICES CARRIER SERVICES PARTNERS CUSTOMER CARE ABOUT XO NEWS CONTACT XO

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XO® Integrated Services

Overview

XO® Integrated Services are designed to simplify the purchase of telecommunications. XOptions® bundles and XO Integrated Access packages encompass a broad array of products that are available through XO. Translation: one point of contact and one simplified invoice. XO Integrated Services are designed with all business sizes in mind. XO offers flexible package options with a number of voice minutes and data speeds so that your service can always grow with your business. whether you have one location or many.

Your business needs ...	XO Solution	
4 converged voice and data solution that utilizes your existing Private Branch Exchange (PBX) and is connected to a Primary Rate Interface (PRI) or Digital Trunk to take advantage of VoIP-enabled capabilities and features. Critical Internet, data and voice applications all on one invoice for one flat rate*	Flex: **Digital Trunks and ISDN-PRI Packages**	A flat rate bundled VoIP solution with ISDN-PRI or Digital Trunk connectivity that provides business customers with advanced features functionality, and value for their voice and Internet services and delivers unlimited local calling and a generous number of long distance and toll-free minutes.* with Dedicated Internet Access and Web hosting over a single broadband connection
A converged voice and data solution that utilizes Business Lines to take advantage of VoIP-enabled capabilities and features. Critical internet. data and voice applications all on one invoice for one flat rate*	XOptions® Flex **Business** Line **Packages**	A flat rate bundled VoIP solution with Business Line connectivity that provides business customers with advanced features. functionality, and value for their voice and Internet services and delivers unlimited local calling and a generous number of long distance and toll-free minutes.* with Dedicated Internet Access and Web hosting over a single broadband connection
To find a company that will manage your telecommunications from installation of customer premise equipment to project managing the implementation of your network	XO One Managed Services	XO One Managed Services™ is an offering of bundled telecommunication and professional services that can be customized to help building tenants. mid-tier and larger companies increase the quality, reliability and return on investment of their integrated communication network

'Flat rates vary by location 50,000-minute cap on long distance usage per location. per month 5 000-minute cap on toll-free usage per location, per month Overage charges apply
** Flat rate prices vary by location Limits apply

See Also

- XOptions®
  XO® Dedicated Internet Access (DIA)

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TM

Wireless Access for Communications Carriers

Extending Your Network Reach

Carrier-grade reliability and network reach — that's what you get when you choose Nextlink" for your access and metro private line needs. Nextlink offers compelling alternative access solutions in comparison to the access offerings of the incumbent telephone companies. With solutions such as 10/100 Mbps Ethernet, DS-3 (45 Mbps), *OC-3* (155 Mbps) and OC-12 (622 Mbps), Nextlink offers carriers not only alternative access options to serve your customers, but also cost-effective ways to save on your own internal networking requirements.

In addition, Nextlink helps to facilitate service continuity by enabling physically redundant broadband wireless network links. Timely provisioning and competitive Service Level Agreements complete the package, delivering the network availability and service that both you and your customers demand. Nextlink — economically extending your network reach for a competitive advantage.

Nextlink Wireless Access Bandwidth	
Wireless Metro Private Line	Wireless Metro Ethernet
DS-3 (45 Mbpa). OC-3 1155 Mbps), OC12 (622 Mbps)	Up to 100 Mbps

The Nextlink Advantage

Licensed Spectrum

- Licensed wireless spectrum in 75 markets reduces the potential far signal interference from unlicensed spectrum users:
- The leading licensee of LMDS in the 28 - 31 GHz spectrum, with spectrum holdings averaging almost 1 GHz per market.

Value

- *Augments or* replaces traditional voice and IP wireline services supplied by a Local Exchange Carrier (LEC);
- Delivers higher bandwidth than copper, along with lower costs when compared to building new fiber networks.

Flexible

- Facilitates the convergence of voice and data applications over a high-speed Ethernet-based infrastructure;
- Scalable to accommodate changing usage patterns as the need for high-speed internet access increases.

Reliable

- End-to-enu. fully managed solution with 24 x 7 monitoring;
- Enables a physically redundant network infrastructure for service continuity.

Reliable Service | Established Provider

Spectrum | Nextlink™ Licensed Holdings

Legend

Wireless Spectrum

Operating Mark

Contact Us

Find out more from your Nextlink representative at 800 549 1140

11111 Sunset Hills Road
Reston, VA 20190

nextlink com

About Nextlink™

Nextlink, a subsidiary of XO Holdings, Inc., provides broadband **wireless** *services* ***to*** *the* **wireless and** *wireline* communications Service provider, business and government markets. **As one** of the nation's largest holders of fixed wireless spectrum, Nextlink delivers high-quality, carrier-grade wireless access solutions that Scale to mee the demands of today's converged world of communications—supporting next-generatton mobile and wireline voice, data and video applications. Far additional information, visit www.nextlink corn

DECLARATION OF ROBERT H. BRIGHAM AND DAVID L. TEITZEL REGARDING THE STATUS OF COMPETITION IN THE DENVER, COLORADO METROPOLITAN STATISTICAL AREA

CONFIDENTIAL EXHIBIT 4

COVER PAGE CORRECTION

DECLARATION OF ROBERT H. BRIGHAM AND DAVID L. TEITZEL REGARDING THE STATUS OF COMPETITION IN THE DENVER, COLORADO METROPOLITAN STATISTICAL AREA

EXHIBIT 5

National Center for Health Statistics ...Monitoring the Nation's Health

Health E-Stats

Wireless Substitution: Preliminary Data from the January-June 2006 National Health Interview Survey

by Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics

Preliminary results from the January-June 2006 National Health Interview Survey (NHIS) indicate that the number of households with only wireless telephones continues to increase. During the first 6 months of 2006, one out of eight American homes did not have a landline telephone. Of those homes without a landline telephone, 84 percent had at least one working wireless telephone. These are the most up-to-date estimates available from the federal government concerning the size of this population.

The estimates are based on in-person interviews completed as part of the NHIS. This cross-sectional survey of the U.S. civilian noninstitutionalized population, conducted continuously throughout the year, is designed to collect information on health status, health-related behaviors, and health care utilization. The survey also includes information about household telephones and whether anyone in the household has a wireless telephone (also known as a cellular telephone, cell phone, or mobile phone). From January through June 2006, interviews were completed in 16,009 households. These households included 29,842 adults aged 18 years and over and 11,670 children aged 17 years or younger.

Microsoft PowerPoint ® Viewer®

National Center for Health Statistics
3311 Toledo Road
Hyattsville, MD 20782
(301) 458-4000

Toll Free Data Inquiries
1-866-441-NCHS

Because NHIS is conducted throughout the year and the sample is designed to yield a nationally representative sample each week, data can be analyzed quarterly. Weights are created for each calendar quarter of the NHIS sample. NHIS data weighting procedures have been described in more detail in an NCHS published report **(Series Report Number 2, Volume 130).** Because the estimates using the January-June 2006 data are being released prior to final data editing and final weighting, they should be considered preliminary and may differ slightly from estimates using the final data files.

Among the findings from the first 6 months of 2006, approximately 10.5 percent of households do not have a traditional landline telephone, but do have at least one wireless telephone. Approximately 9.6 percent of all adults—21 million adults—live in households with only wireless telephones; 8.6 percent of all children—more than 6 million children—live in households with only wireless telephones.

Two percent of households do not have any telephone service (wireless or landline). Approximately 4 million adults (1.8 percent) and 1.4 million children (1.9 percent) live in these households.

The results also reveal that:

- Nearly one-half of all adults living with unrelated roommates live in households with only wireless telephones (44.2 percent). This is the highest prevalence rate among the population subgroups examined.
- Adults renting their home (22.5 percent) are more likely than adults owning their home (5.1 percent) to be living in households with only wireless telephones.
- Among adults less than 25 years of age, more than 6 million live in households with only wireless telephones. Nearly one in four adults aged 18-24 years live in households with only wireless telephones (22.6 percent).
- The prevalence rate decreases as age increases: 12.5 percent for adults aged 25-44 years; 5.3 percent for adults aged 45-64 years; and 1.3 percent for adults aged 65 years or over. Men (10.7 percent) are more likely than women (8.5 percent) to be living in households with only wireless telephones.
- Adults living in poverty (15.8 percent) are more likely than higher income adults to be living in households with only wireless telephones.
- Adults living in the South (11.4 percent) are more likely than

[redacted]

adults living in the Northeast (7.2 percent), Midwest (10.2 percent), or West (7.8 percent) to be living in households with only wireless telephones.

Most major survey research organizations, including NCHS, do not include wireless telephone numbers when conducting random-digit-dial telephone surveys. Therefore, the inability to reach households with only wireless telephones (or with no telephone service) has potential implications for results from health surveys, political polls, and other research conducted using random-digit-dial telephone surveys. For more information about the potential implications for health surveys based on landline telephone interviews, see:

- Blumberg SJ, Luke JV, Cynarnon ML. Telephone coverage and health survey estimates: Evaluating the need for concern about wireless substitution. Am J Public Health 96:926-31. 2006.